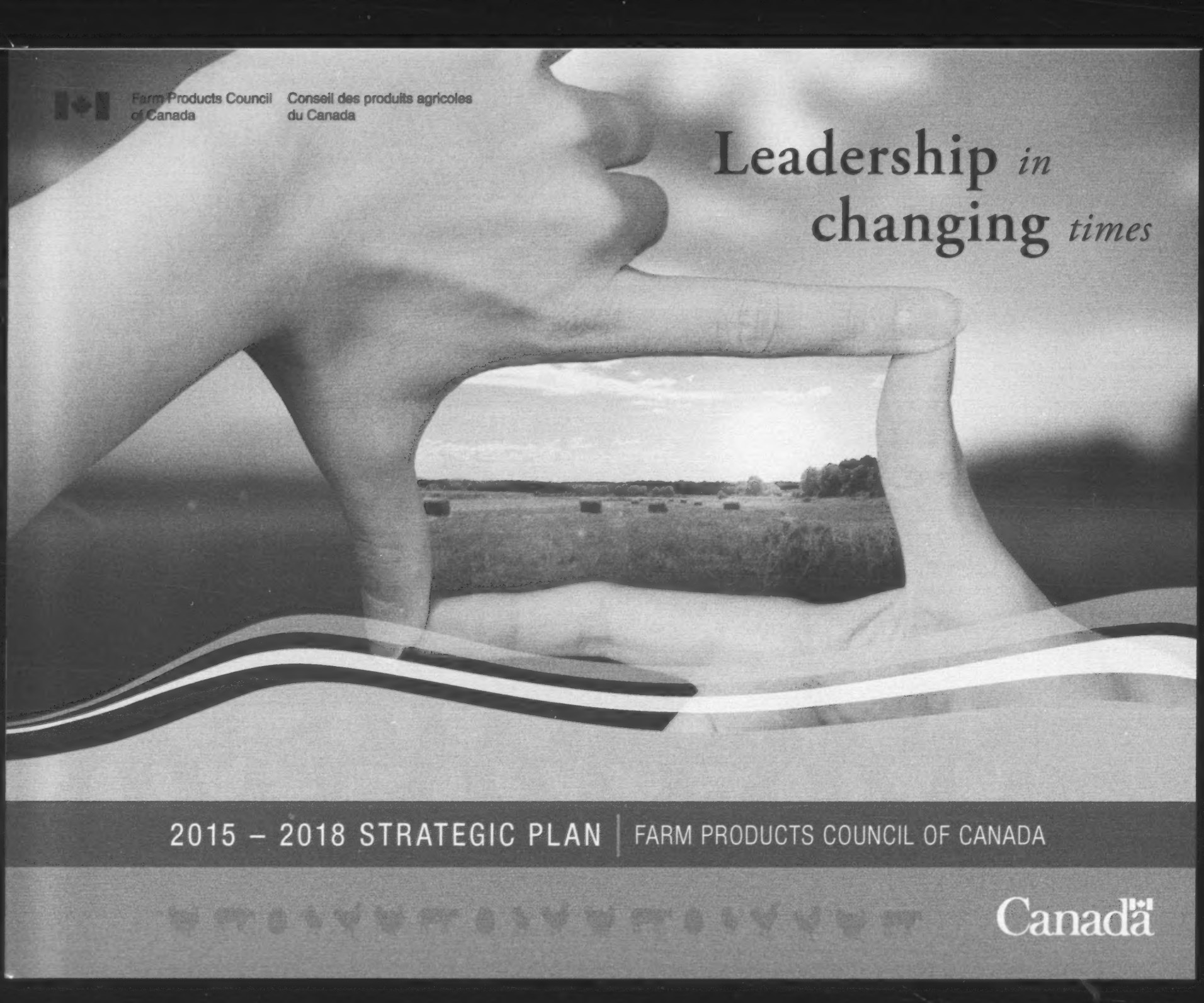
Farm Products Council of Canada
Conseil des produits agricoles du Canada
Leadership in changing times
2015 – 2018 STRATEGIC PLAN | FARM PRODUCTS COUNCIL OF CANADA
Canada

MESSAGE FROM THE CHAIRMAN

It is a privilege to present the 2015-2018 Strategic Plan for the Farm Products Council of Canada (FPCC) with a renewed vision to direct and guide the organization in advancing its strategic priorities.

In the year leading up to the publication of this Strategic Plan, Council members held several strategic planning sessions and conducted extensive consultations across the country with a wide range of stakeholders to align FPCC's strategic priorities with the most pressing challenges in our marketing, as well as the promotion and research systems.

Building on well-established systems, this Strategic Plan introduces innovative ways to make better use of the strengths in these systems and its stakeholders. It is FPCC's belief that open management and better information-sharing practices can help make the marketing, as well as the promotion and research systems more resilient in the face of increasing competition and ongoing expectations of efficient management. Leading by example, Council members will continue to maintain an open and positive dialogue with stakeholders. FPCC will continue to share its decisions online and be an active participant in the affairs and meetings of national agencies.

FPCC's oversight of the marketing system ensures that consumers receive a quality product at a fair price. To foster a system that provides for this legislated objective, FPCC expects to see measurable progress made towards the development of a transparent cost of production for each supply-managed commodity. FPCC also looks forward to collaborating to a greater degree with provincial supervisory boards to advance our strategic priorities.

Because public understanding of the marketing, as well as the promotion and research systems is a recurring concern of stakeholders, FPCC wants to foster an image that is both positive and helpful. National agencies can contribute to this objective by providing accurate and timely information on the inner workings of the systems. In doing so, FPCC believes the public perception of the marketing, as well as the promotion and research systems can be reinforced and understood as a key public policy delivering clear benefits to Canadians.

To support these ambitious strategic priorities, FPCC will expand its knowledge and expertise base by fostering a positive learning environment in which employees can thrive and produce high quality deliverables in their respective line of work.

It is fundamental that stakeholders work together in the best interest of all Canadians. By achieving these strategic priorities, FPCC and agencies can jointly affirm their support for the Canadian way of providing poultry and eggs to its domestic markets and support its agricultural industries in a sustainable, efficient and transparent manner.

Chairman
Laurent Pellerin

INTRODUCTION

The Strategic Plan is a guiding document that will lead FPCC's efforts in strengthening Canadian agriculture industries as well as reinforce its leadership role by fulfilling its mandate efficiently and transparently.

FPCC's vision for efficient and proactive marketing, as well as promotion and research systems is detailed in this document. To illustrate this revamped way of conducting business, FPCC's legislated objectives, mission, vision, organizational commitments and value proposition are presented in the first part of the document.

To render the Strategic Plan more accessible and to put FPCC's strategic priorities in perspective, an overview of the basic mechanisms at work in the supply management system are outlined in the second part of the document. A glance back at FPCC's recent achievements and priorities will help bring the reader up to speed with the marketing, as well as the promotion and research systems ongoing priorities.

In addition to providing sub-objectives for each strategic priority, the last section of FPCC's 2015-2018 Strategic Plan gives an overview of the rationale that led Council members to choose these strategic priorities for the upcoming three years.

FPCC'S MANDATE

The National Farm Products Marketing Council (NFPMC) (now known as Farm Products Council of Canada (FPCC) since 2009) was established in 1972 under the *Farm Products Marketing Agencies Act* (FPMAA) (now legally known as the *Farm Products Agencies Act* (FPAA) since 1993) as an oversight body which reports to Parliament through the Minister of Agriculture and Agri-Food Canada (AAFC). The Act provides for the creation of marketing, as well as promotion and research agencies. There are currently four marketing agencies under Part II, and one promotion and research agency under Part III.

FPAA Part II

- Egg Farmers of Canada
- Turkey Farmers of Canada
- Chicken Farmers of Canada
- Canadian Hatching Egg Producers

FPAA Part III

- Canada Beef

FPCC oversees the operations of national supply management, as well as promotion and research agencies to ensure that they comply with the objectives set out in the FPAA. This is aided, in part by:

- working with national agencies to promote more effective marketing of farm products;
- maintaining relationships with provincial governments and provincial supervisory boards; and
- advising and informing the Minister on all matters regarding the creation and operation of national agencies.

FPCC's other responsibilities include, but are not limited to:

- investigating and taking action, within its powers, on any complaint in relation to national agency decisions;
- holding public hearings when deemed necessary;
- collaborating with provincial supervisory boards; and
- administering the *Agricultural Products Marketing Act* on behalf of AAFC.

AT A GLANCE

SUPPLY MANAGEMENT

When supply management was created in the 1970s, it was in part to level the playing field between producers of poultry and eggs, and processors of these commodities. At the time, because of the greater buying power of processors, producers had difficulties receiving a fair price for their production. This situation threatened the Canadian agricultural production system, because many producers were receiving less for their products than their actual cost of production.

Supply management was also introduced to curb commercial conflicts between provinces by introducing orderly marketing mechanisms. Because of differences in provincial legislation and the lack of interprovincial marketing coordination, conflicts were becoming more frequent and damaging to these industries. The FPAA was enacted to overcome these marketing irregularities and ensure the sustainability of this important sector of Canada's economy.

To better regulate the market and ensure that a fair price was paid to producers for their production, a quota system was created. Simply, a quota is the exclusive right to produce a fixed quantity of a given product. This is a practical way of setting the supply of a commodity, allowing producer organizations to distribute production rights to producers.

Since the FPAA-enabled production quota system provided significant powers to producers, it created a need for an oversight body. FPCC was established to oversee the supply management system and agencies created under the FPAA. In taking the interests of all the stakeholders in consideration, FPCC reviews decisions from the agencies and weighs those against factual information.

Because the allocation of production quotas has a significant impact on the commodity market, the oversight role played by FPCC is essential to provide safeguards and ensure the system provides equitable benefits throughout the supply chain, from producers to the consumers.

PROMOTION AND RESEARCH AGENCIES

In 1993, the FPAA was amended to allow the establishment of Promotion and Research Agencies (PRAs). This was a response to requests from the agriculture sector to raise national levies that would ensure a constant source of funding for promotional and research activities of agricultural products.

A PRA is an organization established by producers. It is run by a board of directors that operates under the provisions of the FPAA and the agency's proclamation. Activities carried out by a PRA revolve around the expansion of markets through generic advertising and promotional programs, as well as investments in research, production process and quality improvements, consumer education and in the development of new products.

PRAs are accountable to their members and have a stable base of levy funding to promote self-reliance in the agri-food sector. The levy, which is the main source of funding of PRAs, is collected nationally on domestic products and where certain provisions are met, may also be collected on imports of the regulated product.

MISSION, VISION, ORGANIZATIONAL COMMITMENTS AND VALUES

FPCC conducts its affairs in an open environment exposing it to internal and external influences from a vast array of stakeholders. It also must navigate through various provincial and federal jurisdictions. The mission, vision, organizational commitments and value proposition were put in place to position the FPCC as positive, neutral and helpful.

MISSION

FPCC is an active participant in ensuring that all Canadians benefit from the marketing, promotion and research of agricultural products.

VISION

FPCC is known for its leadership in maintaining and promoting efficient and competitive agricultural industries.

ORGANIZATIONAL COMMITMENTS

Collaboration: working constructively with stakeholders in a manner that is reflective of the spirit in which the marketing, as well as the promotion and research systems were created.

Innovation: fostering innovative thinking so that the marketing, as well as the promotion and research systems continuously improve their efficiency and have the flexibility needed to address current and future challenges.

Fairness and Respect: conducting FPCC's operations in a manner that recognizes the contribution and respective jurisdictions of all its stakeholders within the marketing, as well as the promotion and research systems, and that operates without bias or favouritism.

Transparency: conducting FPCC's operations in an open and transparent manner, and fostering this approach throughout the marketing, as well as the promotion and research systems.

VALUE PROPOSITION

FPCC provides guidance and support to each sector in developing the Canadian market in a creative and competitive spirit.

FPCC is a transparent and independent body providing a broader perspective on the impacts of the marketing, as well as the promotion and research systems on all Canadians.

FPCC has an in-depth knowledge of the Government of Canada which facilitates regulatory processes.

FPCC draws on its experience with agencies to provide creative solutions.

COUNCIL'S ONGOING STRATEGIC PRIORITIES

FPCC's strategic priorities have helped the marketing, as well as the promotion and research systems face ongoing issues. This section of FPCC's 2015-2018 Strategic Plan provides an overview of past and ongoing goals in meeting challenges.

In its 2006-2009 Strategic Plan, FPCC's priority in regards to supply management, was to better monitor the operations of agencies to assure the effective marketing of commodities. Knowledge and information-sharing among stakeholders is key in this strategic plan, as is the resolution of disputes among the system's participants. It is also a priority for FPCC to encourage the efficient, transparent and responsible management within the supply management system, and to establish new PRAs.

In its 2009-2012 Strategic Plan, FPCC elected to lead by example by strengthening its governance and decision-making processes, its knowledge base as well as its capacity to provide expertise. Once again, the efficiency of its dispute-resolution mechanisms was at the core of the strategic priorities. This explains why communication and interaction with stakeholders and provincial governments were key. To help in the establishment of PRAs, FPCC elected to develop and circulate information on PRAs as a key strategic priority.

In FPCC's last Strategic Plan, covering the 2012-2015 time-period, a strong emphasis was put on cooperation and collaboration between FPCC and provincial supervisory boards. By improving the relevance and efficiency of communication, it was Council's intention to foster a better understanding of the roles and responsibilities of the system's partners.

Since FPCC's core mandate is to oversee the operations of marketing, as well as the promotion and research agencies, FPCC's dispute resolution mechanisms and the establishment of PRAs are recurring areas of importance. FPCC is satisfied significant progress has been made on previous priorities and has established new strategic priorities to move forward.

STRATEGIC PRIORITIES

1) **Ensure agencies continue to understand our respective roles as we work together to maintain and promote an efficient and competitive agriculture industry.**

This strategic priority is at the core of FPCC's mandate, which is to review the operations of agencies as well as to work with them in promoting an effective marketing of their respective commodities. The marketing, as well as the promotion and research systems must evolve and adapt their business model to fast changing realities. FPCC can play a key role in fostering these changes. FPCC recognizes the importance of each player at the national and provincial level within the systems and expects that they receive all the support they need to conduct their business.

1. FPCC will engage agencies on their responsibilities to review their legal framework, including their Federal-Provincial Agreement (FPA), to ensure that it reflects their current operational practices and policies, and evaluate and address any risk identified.
2. It will ensure that agencies and provincial boards abide by their legislative roles and responsibilities, and a consensus is reached with FPCC to enact these legislative roles and responsibilities in the daily management of the system.
3. It will encourage agencies to provide extensive, accurate, transparent and proactive reporting of operational information and key performance indicators.
4. In its capacity as a supervisory body, FPCC will be an active participant at agency meetings.
5. FPCC will ensure that allocation-setting mechanisms are transparent and beneficial for all Canadians.
6. It will assess that measurable progress is made towards the development of transparent cost of production for each of the supply management commodities.

2) **Engage provincial supervisory boards in maintaining and promoting an efficient and competitive agricultural industry.**

An efficient forum for FPCC to maintain relationships with provincial government, according to its mandate, is through the National Association of Agri-food Supervisory Agencies (NAASA). FPCC will continue to develop a common approach with provincial supervisory agencies and relevant governmental stakeholders to strengthen the Canadian marketing, as well as the promotion and research systems. It will:

1. continue the dialogue on common goals and issues.
2. collaborate in ensuring that the system's legal framework, including FPAs, is up-to-date and reflects agencies current business practices and policies.

3) **Continue to promote and work towards the creation of promotion and research agencies.**

Building on two recent public hearings processes for the review of PRA applications, FPCC will continue to process PRA applications and demands for further information from the Canadian agricultural community.

1. FPCC continues to provide relevant information on the benefits of establishing PRAs.
2. FPCC will increase cooperation with AAFC to provide guidance and support to commodity groups interested in developing PRAs.

4) **Improve reciprocal communications and recognize shared responsibilities.**

FPCC is committed to foster a positive environment in which the marketing, as well as the promotion and research systems stakeholders can communicate openly. As per its mandate, FPCC believes better communication will promote a more effective marketing of farm products.

1. Ongoing Council communication practices are positive, open and constructive.
2. Improved relationships facilitating dialogue as issues arise.
3. Information circulates rapidly among all levels within the systems.

5) **Continue to develop internal expertise and improve administrative and business processes.**

Faced with increasing pressure to streamline governmental operations, FPCC intends to contribute by building more efficient processes as well as to encourage its staff to drive innovation and further develop their collaborative network, in advancing FPCC's strategic priorities.

1. FPCC continues to strive toward efficiency in the handling of its operations.
2. FPCC actively develops its staff expertise in a positive learning environment that embraces change.
3. FPCC staff maintains and expands a network of contacts with federal, provincial and stakeholder organizations to facilitate the transmission of core messages to advance its strategic priorities.

CONCLUSION

Council members are confident that FPCC's 2015-2018 Strategic Plan will meet stakeholders' expectations for bettering marketing, as well as the promotion and research systems by integrating new concepts, as well as launching innovative ideas, to make the systems more efficient and competitive.

These priorities will stimulate growth in an equitable fashion so all Canadians can benefit from the marketing, as well as the promotion and research of agricultural products.

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